

Cannibble Foodtech Ltd.

**Management's Discussion and Analysis
for the year ended December 31, 2023**

1. MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis of financial position and the results of operations ("MD&A") focuses on significant factors that have affected the performance of Cannibible Food-Tech Ltd. ("Cannibible" or the "Corporation") and those factors that may affect its future performance. This MD&A should be read in conjunction with Cannibible's audited financial statements and related notes for the years ended December 31, 2023 and December 31, 2022 (the "**December 31, 2023 and 2022 Financial Statements**"). The December 31, 2023 and 2022 Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The effective date of this MD&A is April 29, 2024.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains information and statements that relate to Cannibible's current expectations and views of future events and constitute "forward-looking information" under Canadian securities laws. These are statements about possible events, conditions or financial performance that are based on assumptions about future economic conditions and courses of action.

When used in this MD&A, the words "expects", "anticipates", "intends", "plans", "may", "believes", "seeks", "estimates", "appears" and similar expressions (including negative and grammatical variations) generally identify forward-looking information. Forward-looking statements are necessarily based on estimates and assumptions made by us in light of Cannibible's experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Corporation believes are appropriate. Forward-looking statements in this MD&A include but are not limited to statements relating to:

- Cannibible's anticipated cash needs and its need for additional financing;
- Cannibible's ability to obtain funding for its operations, including funding for research and commercial activities;
- the initiation, timing, cost, progress and success of its product development efforts;
- Cannibible's business model and strategic plans to grow its business and operation, including Cannibible's expectations regarding growth rates;
- Cannibible's ability to achieve profitability;
- Cannibible's ability to establish and maintain relationships with qualified manufacturers and distributors for Cannibible's products;
- Cannibible's ability to protect its intellectual property;
- Cannibible's competitive position and the regulatory environments in which it operates;
- the future growth of the cannabis industry;
- the rate and degree of market acceptance of Cannibible's existing and future products;
- Cannibible's expectations regarding market risk, including interest rate changes and foreign currency fluctuations;
- Cannibible's expected business objectives for the next twelve months; and
- Cannibible's plans with respect to the payment of dividends.

In developing the forward-looking statements contained herein, the Corporation has made

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assumptions with respect to, among other things, (i) the outlook for Israeli, United States, and global economies, including, in particular, the cannabis and hemp industry sectors; (ii) the expectation that regulatory requirements will be maintained; (iii) the Corporation's ability to successfully execute its plans and intentions; (iv) the availability of financing on reasonable terms; (v) the Corporation's ability to retain its key employees; (vi) market competition; (vii) the products and technology offered by its competitors; and (viii) the expectation that the Corporation's current good relationships with its suppliers, service providers and other third parties will be maintained. These assumptions are based on the Corporation's management's perception of trends, current conditions, and expected future developments, as well as any other factors its management considers relevant. Although the Corporation believes that the assumptions on which the forward-looking statements are based and the expectations represented in the forward-looking statements are reasonable, there can be no assurance that the forward-looking statements contained herein will prove to be accurate. Factors which could cause actual results, events, or circumstances to differ materially from those expressed or implied in forward-looking statements include, but are not limited to: general economic, political, tax, market and business factors and conditions; interest rate and foreign exchange rate fluctuations; volatility in Israeli, Canadian, or global equity and capital markets; statutory and regulatory developments; unexpected judicial or regulatory proceedings; catastrophic events; and other risks related to Cannibible and its business. These and other risks and uncertainties are described in the section entitled "*Risk Factors*".

Readers should not place undue reliance on forward-looking statements because of the inherent uncertainty of forward-looking statements. Forward-looking statements in this MD&A are provided as of the date of this MD&A, and the Corporation disclaims any obligation to update any forward-looking statements, except to the extent required by applicable securities laws.

2. DESCRIPTION OF BUSINESS

Structure of the Corporation

Cannibible was incorporated as a private limited liability company under the Israeli Companies Law, 5759-1999 on August 14, 2018. On March 3, 2022 the ordinary shares of the Corporation were listed for trading on the Canadian Securities Exchange (the "CSE") under the symbol 'PLCN'. As of the date of this MD&A, the Corporation has 26,023,896 ordinary shares issued and outstanding (each, a "**Share**").

Cannibible is an innovative Israeli food tech company that develops food and beverage products variously enhanced with alternative proteins.

Cannibible has developed proprietary powder-based formulas for food and beverage products targeted for the "Better-for-You" segment of the market.

The products are sugar free, dairy free, plant based, non-GMO, keto friendly, low carbs and marketed under Cannibible's brand name "The Pelicann™".

The Corporations portfolio also includes the marketing of gluten-free products. and other unique food items for the better-for-you segment.

For more information about Cannibible and its business, visit www.cannibible.world

Cannibible's corporate headquarters and registered address are located at P.O. Box 4250 Rosh Haayin Israel. The Corporation has one wholly-owned subsidiary, EAZY Tech Inc., a limited liability company organized under the laws of the state of Delaware.

Significant Developments during the period

On November 16, 2022 the Corporation provided an update on the progress of the proposed transaction with Eshbal Functional Foods Cooperative Ltd. ("**Eshbal**") (the "**Proposed Transaction**") and announced that the parties had started to collaborate on sales prior to completion of the Proposed Transaction, as a result of which Cannibible had received two orders from a distributor in the United States for one of Eshbal's leading products.

Following a period of due diligence and negotiation, the Corporation, Eshbal, Eshbal Trading Ltd., and L.D. Barel Ltd. entered into a definitive share purchase agreement (the "**Share Purchase Agreement**") on November 27, 2022 for the Proposed Transaction. Pursuant to the Share Purchase Agreement, Cannibible agreed to acquire all the outstanding membership interests of Eshbal in exchange for ordinary shares of Cannibible. The Share Purchase Agreement was negotiated at arm's length. Upon closing of the Proposed Transaction, Eshbal would have become a wholly-owned subsidiary of Cannibible and Cannibible, as the "**Resulting Issuer**", would have carried on the businesses of Cannibible and Eshbal. The purpose of the Proposed Transaction was to leverage Eshbal's success in providing the Israeli retail market with innovative gluten free baked products into sales and marketing of these products in the US gluten free market together with Cannibible products under "the Pelicann" brand.

On November 28, 2022, the trading of the Corporation's ordinary shares on the CSE was halted pending the review of the Proposed Transaction by the CSE.

On November 7, 2023, Mr. Ziv Turner, one of the founders of the Corporation and a member of the board notified the Corporation by email that he intends to file a claim against the Corporation for withholding wages due to the fact that the Corporation stopped paying salaries to the founders on August 2023. ON March 27, 2024 Tel Aviv labor court decided to close the case and the legal process against the company was deleted.

On November 20, 2023 the Share Purchase Agreement was amended (as amended, the "**Amended DA**"). As restructured, the Proposed Transaction was revised to no longer constitute a "fundamental change" for Cannibible, as defined by the rules and policies of the CSE.

The Amended DA provides for a potential series of investments in Eshbal by Cannibible, beginning with an initial investment of CAD\$350,000 by Cannibible to acquire a 7.75% interest in Eshbal (the "**Initial Investment**"). Following closing of the Initial Investment, Cannibible was to receive sole distribution rights to sell, market and distribute Eshbal's products in North America.

The Amended DA also contemplates potential additional investments by Cannibible in Eshbal over a maximum period of six months from the date of the closing of the Initial Investment. The Amended DA also provides that, if within a period of 12 months following the closing date of the Initial Investment, Eshbal enters into an agreement with a third party to consummate a transaction in which the third party acquires a 30% or greater interest in Eshbal at a valuation different from the valuation under the Amended DA (a "**New Valuation**"), Cannibible's percentage ownership of Eshbal will be adjusted in accordance with the New Valuation.

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On December 8, 2023 the Corporation closed a non-brokered private placement (the “**Private Placement**”) for total gross proceeds of CAD\$561,204 through the issuance of 2,116,800 units of the Corporation (each, a “**Unit**”) at a price of CAD\$0.28 per Unit. 112,500 of the Units were issued in satisfaction of accrued interest on outstanding convertible debentures. Each Unit was comprised of one Share and one transferable Share purchase warrant (each, a “**Warrant**”), with each Warrant entitling the holder thereof to purchase a Share at an exercise price of CAD\$0.40 for a period of 24 months from the date of issuance. The Corporation paid CAD\$44,896 in finder's fees and issued 160,344 non-transferable finders Share purchase warrants (each, a “**Finder's Warrant**”) to an arm's length party equal to 8% of the Units sold (excluding Units issued for payment of interest on convertible notes). Each finder's Warrant entitles the holder to purchase one Share for a period of 24 months from closing of the Private Placement at a price of CAD\$0.28.

On or around December 19, 2023 Cannibible completed the Initial Investment in Eshbal, acquiring a 7.75% interest in Eshbal for CAD\$322,000. Concurrent with the completion of the Initial Investment, Cannibible and Eshbal signed a distribution agreement giving Cannibible sole distribution rights to sell, market, and distribute Eshbal's products in North America.

On or around February 15, 2024, the Corporation received an initial CAD\$10,000 trial order (the “**Initial Order**”) from a food distributor operating in California to deliver Kosher for Passover gluten-free pita bread, hot dog buns and hamburger buns in preparation for Passover. The Corporation is currently working to deliver Kosher for Passover baked products to additional US food distributors before Passover 2024. The Initial Order was part of the Corporation's shift in business strategy after signing the Amended DA to sell, market and distribute Eshbal's products in North America.

Since inception, Cannibible has an accumulated deficit of \$6,583,000 as at December 31, 2023. The Corporation has funded its operations with proceeds from equity financings and expects to seek additional funding through equity financings to develop its business, and, assuming completion of the Proposed Transaction, the combined business of Cannibible and Eshbal. However, if capital market conditions in general or with respect to the foodtech sector or development stage companies such as Cannibible are unfavorable, the Corporation's ability to obtain additional funding will be adversely affected.

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Selected Annual Information

The following table sets forth selected financial information for the years ended December 31, 2023, 2022, and 2021. The selected financial information set out below has been derived from Cannibble's annual audited consolidated financial statements and accompanying notes, prepared in accordance with IFRS. The selected financial information set out below may not be indicative of our future performance.

	year ended December 31, 2023	year ended December 31, 2022	year ended December 31, 2021
	US\$ in thousands, except per share amounts		
Total revenue	101	97	221
loss from operations	(1,451)	(2,036)	(1,723)
Net loss for the year	(1,085)	(1,952)	(2,161)
loss per share, basic and diluted	(0.045)	(0.085)	(0.12)

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2021
	US\$ in thousands		
Total current assets	93	501	955
Non-current assets	257	22	26
Total -current financial liabilities	248	554	186
Total non-current financial liabilities	2,469	1,683	952
Total shareholders' equity (deficiency)	(2,367)	(1,714)	(157)

Year ended December 31, 2023, compared to year ended December 31, 2022**Revenues**

For the year ended December 31, 2023, total revenues amounted to US\$101,000 compared to US\$97,000 for the year ended December 31, 2022. The revenues for the year ended December 31, 2023 were mostly comprised of consulting services provided to Eshbal. The revenues for the year ended December 31, 2022 were comprised of consulting services and sales of goods to customers in the United States through Cannibble's website. There was no material change between the years.

Cost of Revenue

For the year ended December 31, 2023, cost of revenues amounted to US\$159,000 compared to US\$90,000 for the year ended December 31, 2022. The increase was attributable to a decrease in the value of the Corporation's inventory.

Gross Profit

For the year ended December 31, 2023, gross loss amounted to US\$58,000, compared to gross profit of US\$7,000 for the year ended December 31, 2022. The decrease was mainly attributed to increase in cost of revenue as a result of decrease in the value of the inventory.

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Selling and Marketing Expenses

For the year ended December 31, 2023, selling and marketing expenses amounted to US\$318,000 compared to US\$739,000 for the year ended December 31, 2022. The decrease of US\$421,000 was mainly a result of a decrease in salaries and relocation expenses, lower marketing expenses to promote the corporation's product, and the allocation of part of the expenses to general and administrative expenses.

Research and Development Expenses

For the year ended December 31, 2023, research and development expenses amounted to US\$384,000 compared to US\$392,000 for the year ended December 31, 2022. The decrease of US\$8,000 was not material.

General and Administrative Expenses

For the year ended December 31, 2023, general and administrative expenses amounted to US\$691,000 compared to US\$912,000 for the year ended December 31, 2022. The decrease in general and administrative expenses was mainly due to decrease in legal expenses due to the negotiation with Eshbal and salary expenses as opposed to an increase from allocation part of the expenses from selling and marketing expenses.

Finance Income, Net

For the year ended December 31, 2023, finance income net amounted to US\$366,000, as compared to the finance income net of US\$84,000 for the year ended December 31, 2022. The increase in net financial income was mainly attributed to a non-cash revaluation of warrant liabilities in accordance to IFRS.

Net loss and comprehensive loss

For the year ended December 31, 2023, Net loss and comprehensive loss amounted to US\$1,085,000, as compared to US\$1,952,000 for the year ended December 31, 2022. The decrease of US\$867,000 was mainly attributed to increase in cost of revenue, as opposed to decrease in Selling and Marketing Expenses and General and administrative expenses and as a result in increase in financial income.

Quarterly Information

Three Months Ended	2023			
	December 31	September 30	June 30	March 31
	US\$ in thousands, except per share amounts			
Revenue	-	60	-	41
Net income (loss) for the quarter	254	(430)	(369)	(540)
Net income (loss) per share (Basic and diluted)	0.011	(0.018)	(0.016)	(0.023)

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Three Months Ended	2022			
	December 31	September 30	June 30	March 31
	US\$ in thousands, except per share amounts			
Revenue	24	2	26	45
Net income (loss) for the quarter	(567)	(552)	(336)	(497)
Net income (loss) per share (Basic and diluted)	(0.024)	(0.024)	(0.015)	(0.023)

3. LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Corporation has generated limited revenues. The Corporation believes it has the capability to continue financing itself in the foreseeable future, through the issuance of equity and future revenue from sales. The Corporation has generated an accumulated deficit of US\$6,583,000 since inception. These events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern.

For the year ended December 31, 2023, the Corporation incurred a loss of \$1,085,000 compared to a loss of \$ 1,952,000 for the year ended December 31, 2022.

On December 31, 2023, the Corporation had a negative working capital of US\$155,000, compared to negative working capital of US\$53,000 on December 31, 2022, the working capital of the corporation consisted of cash and cash equivalents, other accounts receivable and inventory, trade accounts payable, other accounts payable and accrued liabilities.

During the year ended December 31, 2023, the Corporation's overall position of cash and cash equivalents decreased by US\$215,000 compared to the year ended December 31, 2022. During the year ended December 31, 2022 the Corporation's overall position of cash and cash equivalents decrease by US\$427,000 compared to the year ended December 31, 2021.

This change in cash and cash equivalents can be mainly attributed to the following:

- The Corporation's net cash used in operating activities during the year ended December 31, 2023 amounted to US\$393,000 as compared to US\$1,022,000 for the year ended December 31, 2022. The net cash used in operating activities in the year ended December 31, 2023 was mainly attributable to decrease in inventory of \$73,000 and an increase in other accounts payable of \$745,000 this increase is due to the amounts owing to related parties for salaries that have been deferred Increase in trade and other accounts receivable of \$105,000 increase in share based payments of \$257,000, and change in fair value of Warrants of \$239,000 thousand.
- The Corporation's net cash provided by financing activities during the year ended December 31, 2023 was US\$405,000 as compared to US\$659,000 for the year ended December 31, 2022. The decrease was mainly attributed to decrease in funds raising.
- The Corporation's net cash provided by investing activities during the year ended December 31, 2023 was \$227,000, compared to \$1,000 used in investing activities for the year ended December 31, 2022. The cash provided through investing activities during the year ended December 31, 2023 resulted from deposit to restricted cash and from investment in Eshbal. The cash provided through

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investing activities during the year ended December 31, 2022 resulted from purchase of equipment in the amount of \$3,000 and withdrawal of restricted cash in the amount of \$4,000.

4. OFF BALANCE SHEET ARRANGEMENTS

The Corporation has not entered into any off-balance sheet arrangements.

5. COMMITMENTS AND CONTINGENCIES

The Corporation paid a rental fee of \$7,500 per month as part of its relocation expenses for the period starting July 2022 and ending August 2023.

6. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Corporation's senior management, who are considered to be key management personnel by the Corporation.

Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following table sets forth information concerning the total transactions (expenses) to the named executive officers of the Corporation for the years ended December 31, 2023 and 2022.

	For the year ended December 31,	
	2023	2022
	(US\$ in thousands)	
Fees to CEO, CTO & VP BUSINESS (1)	835	812
Fees to CFO	63	68
Asaf Porat	-	25

- (1) The three executive officers of Cannibible are each paid a monthly salary of \$24,000, of which \$2,000 is paid in cash and the balance is accrued as debt owing to the executive. Since August 2023, the Corporation has stopped paying the \$2 thousand each month in cash, and such amounts are accrued as debt. The Corporation and the three executives have agreed that the accrued salary can be converted into ordinary shares of Cannibible or paid to the executives in cash when the Corporation is able to do so.
- (2) On December 1, 2023 the Corporation announced to its employees that the terms of the previous employment agreements are canceled and switching to salary based on hourly working hours. And in any case the salary will not be more than the minimum salary wage.

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The following table sets forth information concerning the amounts payable to the named executive officers of the Corporation and outstanding at the year-end for the year ended December, 31, 2023 and the year ended December 31, 2022.

Related Party	Nature	For the year ended December 31, 2023	For the year ended December 31, 2022
		(US\$ in thousands)	
Elad Barkan – CTO, Director & shareholder & founder	Salary fees	823	561
Ziv Turner- VP BUSNIESS, Director & shareholder & founder	Salary fees	823	561
JOAV BAR JOSEPH – CEO, Director & shareholder & founder	Salary fees	823	561

Fourth Quarter**Tree month ended December 31, 2023, compared to tree month ended December 31, 2022****Revenues**

For the three months ended December 31, 2023, total revenues amounted to none , compared to US\$24,000 for the three-month ended December 31, 2022. The revenues for the three-month ended December 31, 2022 were comprised of sales of goods to customers in the United States through Cannibble’s website.

Cost of Revenue

For the three-month ended December 31, 2023, cost of revenues amounted to US\$52,000 compared to US\$11,000 for the three-month ended December 31, 2022. The increase was attributable to an increase in the cost of consulting services due to the increase in the salaries.

Gross Profit

For the three-month ended December 31, 2023, gross loss amounted to US\$52,000, compared to gross profit of US\$13,000 for the three-month ended December 31,2022. The decrease was mainly attributed to an increase in cost of revenue and decrease in revenue.

Selling and Marketing Expenses

For the three-month ended December 31, 2023, selling and marketing expenses amounted to US\$(85,000) compared to US\$166,000 for the three-months ended December 31, 2022. The decrease was mainly a result of a decrease in salaries and relocation expenses, lower marketing expenses to promote the Corporation’s product, and the allocation of part of the expenses to general and administrative expenses.

Research and Development Expenses

For the three-months ended December 31, 2023, research and development expenses amounted to US\$36,000 compared to US\$100,000 for the three-months ended December 31, 2022. The decrease was mainly attributed to decrease in salaries.

General and Administrative Expenses

For the three-months ended December 31, 2023, general and administrative expenses amounted to US\$138,000 compared to US\$354,000 for the three-months ended December 31, 2022. The decrease in general and administrative expenses was mainly due to a decrease in legal expenses due to the negotiation with Eshbal and salary expenses as opposed to an increase from allocation part of the expenses from selling and marketing expenses.

Finance Income, Net

For the three months ended December 31, 2023, finance income net amounted to US\$395,000, as compared to the finance income net of US\$40,000 for the three months ended December 31, 2022. The increase in net financial income was mainly attributed to a non-cash revaluation of warrant liabilities in accordance to IFRS.

Net loss and comprehensive loss

For the three-months ended December 31, 2023, Net gain amounted to US\$254,000, as compared to net loss of US\$567,000 for the three-months ended December 31, 2022. The increase was mainly attributed to decrease in Research and Development Expenses cost, decrease in legal expenses and increase in financial income.

There were no significant events that affected the Corporation in the fourth quarter.

7. CHANGES IN ACCOUNTING STANDARDS

Please refer to the December 31, 2023 financial statements for accounting policy pronouncements.

8. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value of financial instruments

Assets recorded at fair value in the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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Financial instruments are measured either at fair value or at amortized cost.

Cannibible's risk exposures and the impact on our financial instruments are summarized below:

Fair Values

The carrying values of the financial instruments approximate their fair values. The cash is valued using quoted market prices in active markets. warrants are valued according to level 3 Inputs that are not based on observable market data (valuation techniques that use inputs that are not based on observable market data).

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Israeli New Shekel and the United States dollar and other foreign currencies will affect our operations and financial results. Cannibible is exposed to currency risk as funds are held in Israeli currency and revenues and a significant portion of its expenses are denominated in United States currency. As at December 31, 2023 and December 31, 2022, Cannibible has not entered into any hedging agreements to mitigate foreign currency risk. Therefore, Cannibible's financial position and financial results may be adversely affected by unfavorable fluctuations in currency exchange rates. The Corporation has cash that is exposed to possible fluctuations in the U.S. dollar exchange rates.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments is remote.

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due by raising sufficient funds. As of December 31, 2023, the Corporation had a US\$155,000 negative working capital balance (December 31, 2022 - US\$53,000 negative working capital), and the Corporation has little exposure to liquidity risk, as it will balance expenditures with available working capital.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to the risk that the value of financial instruments will change due to movement in market interest rates. The Corporation periodically monitors its cash activity and is satisfied with the credit ratings of its banks.

RISKS AND UNCERTAINTIES

The Corporation's business as a foodtech company is subject to a number of significant risk factors. It also faces additional risks related to the Proposed Transaction. If any event arising from the risk factors set forth below occurs, the Corporation's (or the Resulting Issuer's) business, prospects, financial condition, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected. Although the Corporation believes that the risk factors described below are the most material risks that it faces, they are not the only ones. Additional risk factors not presently known to the Corporation or that the Corporation currently believes are immaterial could

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also materially and adversely affect its business, prospects, cash flows, results of operations or financial condition and negatively affect the value of Cannibible's ordinary shares. Readers should carefully consider each of these risks and all of the information in this MD&A.

Risks Related to the amendment of the Proposed Transaction

Cannibible is subject to a number of risks related to the amendment of the Proposed Transaction and its future business operations. assuming the Proposed Transaction is completed, which cannot be guaranteed. The following are some of those risks:

- Cannibible has incurred significant transaction costs in connection with the Proposed Transaction that was not completed as initially planned and affected on the company's cash flow and liabilities.
- The ability to successfully execute the distribution agreement with Eshal is dependent upon the efforts of certain key personnel of Eshbal and the ability of Eshbal to produce and supply the products which could negatively impact the operations and financial results of Cannibible's business.

The following risk factors are relevant to Cannibible as a stand-alone company:

Please refer to the Corporation's final long form prospectus dated January 31, 2022 that is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca for additional information on the identification and consideration of risks and uncertainties applicable to the Corporation.

The Corporation is subject to a number of risks and uncertainties that could significantly affect its financial condition and performance. As the Corporation grows and seeks to enter new markets, these risks can increase.

These risk factors are not a definitive list of all risk factors associated with the Corporation or in connection with the Corporation's operations.

The Corporation has no history of profitable operations and a limited operating history. The Corporation's present business is at an early stage of development. As such, many risks common to such early-stage enterprises, including cash shortages and limitations with respect to personnel, financial and other resources, and access to capital, exist.

Certain risks and assumptions include, among others:

- the Corporation's limited operating history;
- uncertainty as to the Corporation's ability to continue as a going concern;
- substantial fluctuation of losses due to numerous external risk factors out of the Corporation's control that cause the Corporation to incur significant losses in the future;
- uncertainty as to the Corporation's ability to raise additional funding to support operations;
- ability to generate product revenue to maintain its operations without additional funding;
- regulatory approval as well as with health and data protection laws and risks;

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- compliance with environmental, food safety, and consumer health and safety laws and regulations;
- uncertainty surrounding the Corporation's reputation and its brand recognition;
- the Corporation's ability to adequately protect its intellectual property and trade secrets;
- inaccurate information posted on social media platforms;
- risks related to product recalls and insurance coverage;
- risks related to the Corporation's status as an Israeli company;
- risks related to various tax matters;
- risks related to foreign exchange fluctuations among the Canadian dollar, the US dollar, and the New Israeli Shekel;
- the Corporation's reliance on the capabilities and experience of the Corporation's key executives and the resulting loss of any of these individuals;
- liquidity of the Corporation's securities;
- risks related to additional issuances and dilution of the Corporation's securities;
- risks related to the Corporation's capital structure;
- the costs associated with maintaining a public listing; and
- other factors beyond the Corporation's control.

There is no assurance that the Corporation will be successful in executing its business plan and generating a return on shareholders' investments. The likelihood of success must be considered in relation to its early stage of operations and industry. There are a number of risk factors that could cause future results to differ materially from those described herein. Additional risks and uncertainties, including those that the Corporation does not know about or that it currently deems immaterial, could also adversely affect the Corporation's business and results of operations.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**Research and development expenses:**

	Year ended	
	December 31,	
	2023	2022
	US\$ in thousands	
Salaries and related expenses	294	389
Other	90	3
Total	384	392

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General and administrative expenses:

	Year ended	
	December 31,	
	2023	2022
	US\$ in thousands	
Salaries and related expenses	228	195
Professional services	231	671
Legal	73	-
Uncollectable accounts expenses	29	-
Other	130	46
Total	691	912

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OUTSTANDING SHARE DATA AT MAY 1, 2023

As at the date of this MD&A, there are 3,964,232 Warrants issued and outstanding. Each Warrant entitles the holder thereof to acquire one Share.

The following table sets forth the aggregate number of Warrants which are outstanding as at the date of this MD&A:

warrants	Number of Warrants	Date of expiry	Exercise price
Frontfundr offering	105,936	24 months from listing March 2024	CAD \$1.40
Frontfundr finder compensation warrants	7,415	24 months from listing March 2024	CAD \$0.93
PI Novel - Warrants	55,000	24 months from listing March 2024	CAD \$1.40
Amuka Capital - Warrants	26,882	24 months from listing March 2024	CAD \$1.40
Exiteam round Share purchase warrants	1,396,146	24 months from listing March 2024	CAD \$1.40
Exiteam warrants	193,142	24 months from listing March 2024	CAD \$0.74
CFO warrants	108,607	-	CAD \$0.93
Share purchase warrants Exiteam September, 2022 round	1,778,800	24 months from issuance Sep 2024	CAD \$0.70
Ontario Ltd Gurilla marketing	150,000	24 months from issuance March 2024	CAD \$0.93
Exiteam finder warrants	142,304	24 months from issuance March 2024	CAD \$0.47
Share purchase warrants Exiteam Dec 2023 round	2,116,800	24 months from issuance Dec 2025	CAD \$0.40
Exiteam finder warrants	160,344	24 months from issuance Dec 2025	CAD \$0.28

Notes:

- (1) On January 1, 2023 Exiteam signed a waiver document. Exiteam waive the 69,893 warrants owed to them by the Corporation as part of bonus warrants for finder's fee.
- (2) These share purchase warrants were issued to Zermatok in partial compensation for its services to the Corporation in connection with its intention to become a public company and list its ordinary shares on a Canadian stock exchange. These warrants are exercisable into ordinary shares on closing of an initial public offering at an exercise price of NIS 1.719 per share. On January 1, 2023, ZER MATOK waived the 546,776 warrants owed to them by the Corporation as part of past agreements.
- (3) According to the bank of Israel exchange rate of CAD\$1 = 2.7391 NIS for December 31, 2023.